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From: anderson@competitivewaste.org
[mailto:anderson@competitivewaste.org]
Sent: Wednesday, August 06, 2003 5:38 PM
To: Hammaker, Michael
Cc: Harris, Anthony
Subject: Re: WASTE MANAGEMENT: 4/28/03 Sale of \$1Billion of Allied Waste Assets to Waste Management

We have the Competitive Impact Statement for the Waste Management/Allied swap.

The CIS correctly notes the critical importance to the maintenance of competition of free access to disposal capacity on non-discriminate terms, and goes on to note the partial divestitures of transfer and disposal assets in New Jersey and Oklahoma.

In order to comment intelligently on the proposed settlement, we would like to ask if DOJ would share its discovery data on local conditions in the market for disposal in those areas. Specifically, the ownership and maximum daily throughputs for transfer stations, and the ownership, maximum daily tonnages and remaining life and locations for landfills. Also, the names and, if possible, very general indices of the size/share (that does not impinge on trade secrets) of the municipal solid waste firms in each market.

Thank you.

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October 9, 2003

BY HAND DELIVERY

Ms. Stacy R. Procter
Trial Attorney
Antitrust Division
United States Department of Justice
1401 H Street, N.W., Suite 3000
Washington, DC 20530

Re: U.S. v. Waste Management, Inc. and Allied Waste Industries, Inc.
Civil Case No: 1:03CV01409

Dear Ms. Procter:

Thank you for your recent comments as to the purpose and effect of the language contained in Section XIII of the Final Judgment, entitled "Revisions to Contracts," regarding the obligation of Waste Management not to "attempt to enforce any contract term affecting commercial waste collection customers in the specified areas [Myrtle Beach, SC and Augusta, GA] that conflicts with or is inconsistent with the above terms [reflecting five contract prohibitions], even if those customers choose not to sign a contract with the new terms."

Pursuant to the Final Judgment, these five contract prohibitions provide that "[n]o contract shall:"

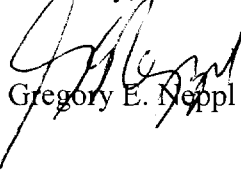
1. Have an initial term longer than two (2) years;
2. Have any renewal term longer than one (1) year;
3. Require that the customer give Waste Management notice of termination more than thirty (30) days prior to the end of any initial term or renewal term;
4. Require that the customer pay liquidated damages in excess of three times its average monthly charge during the first year the customer has had service with Waste Management; and
5. Require that the customer pay liquidated damages in excess of two (2) times its average monthly charge after the first year the customer has had service with Waste Management.

Ms. Stacy R. Procter
October 9, 2003
Page 2

As you have advised, the language quoted above became effective as of June 27, 2003. At that time, Waste Management became immediately obligated not to enforce any contract provision(s) inconsistent with the five contract prohibitions listed above, although other contract terms may remain enforceable by Waste Management. As a result, contracts in place as of June 27, 2003 must conform to these five contract prohibitions. Moreover, Waste Management is also obligated to offer new contracts to new and existing customers in accordance with these five contract prohibitions, subject to the deadlines set forth in Section XIII the Final Judgment.

In short, the obligation upon Waste Management not to enforce any contract provision(s) inconsistent with the five contract prohibitions currently applies, whether or not the contracts in place physically incorporate the language in question. On that basis, we have no objection to or other comment on the proposed Final Judgment pending before Judge Gladys Kessler.

Sincerely,



Gregory E. Neppel